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EFFECT OF CAPITAL STRUCTURE, COMPANY GROWTH AND PROFITABILITY OF CORPORATE VALUES IN COAL MINING SUBSECTOR COMPANIES

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Abstract

The objective of this research is to find out and analyse the influence of capital structure, company growth, and profitability partially and simultaneously on the value of the company in coal mining companies listed on the Indonesia Stock Exchange (IDX). The population of this research is 21 coal mining companies listed on the Indonesia Stock Exchange (IDX) with 2013 to 2017. Observation years were selected using the purposive sampling method. Data is processed using panel data regression statistical test methods. The results of this study prove that the capital structure and profitability partially influence the value of the company in coal mining companies listed on the Indonesia Stock Exchange. While the growth of the company does not affect the value of the company in coal mining companies listed on the Indonesia Stock Exchange. The simultaneous capital structure, company growth and profitability simultaneously influence the value of the company in coal mining companies listed on the Indonesia Stock Exchange.

Keywords: Capital structure, company growth, profitability, firm value.

1. Introduction

In line with economic growth, the need for energy resources also continues to grow. The mining sector is one of the pillars of a country's economic development, because of its strategic role as a provider of energy resources that are indispensable for a country's economic growth. One of the strategic mining sectors in Indonesia is coal mining. Indonesia is the 5th ranked coal producer in the world with a coal production volume of 255.7 million tons in 2016 and ranks 9th in the world in terms of global coal reserves (BP Stistical Review of World Energy, 2017). Therefore, optimal coal management is needed in order to explore the potential of coal in Indonesia. One effort that can be done is by involving the private sector in developing coal mines in Indonesia.

Table 1
Average Firm Value of the Coal Mining Subsector on the IDX 2013-2017

Information	Year				
	2013	2014	2015	2016	2017
Tobin's Q	3.11	3.42	2.81	3.34	3.67

Source: www.idx.co.id (2018)

Based on Table 1, it can be seen that the average company value measured through the Tobin's Q ratio in the mining subsector companies listed on the Indonesia Stock Exchange 2013-2017 has fluctuated. In 2013 it was found that the average Tobin's Q value was 3.11. The value rose to 3.42 in 2014, which means there was an increase in the value of the company that occurred. In 2015 there was a decline in the average value of Tobin's Q to 2.81. Meanwhile in 2016 and 2017 there was an increase in the Tobin's Q

ratio to 3.34 and 3.67 respectively. One aspect related to company value is the capital structure. Capital structure is the proportion of funding with debt (debt financing) of the company, namely the leverage ratio of the company, where in measuring leverage the company can use Debt to Equity Ratio (DER). Based on the capital structure theory, if the capital structure position is above the optimal capital structure target, then any increase in debt will reduce the value of the company. Capital structure is a comparison of the value of debt with the value of own capital reflected in the company's financial statements at the end of the year (Fau, 2015).

The empirical reality shows that coal mining subsector companies in Indonesia tend to experience an increase in the average value of the DER ratio each year. Table 2 shows the average capital structure (DER) of coal mining subsector companies in Indonesia listed on the IDX in 2013-2017:

Table 2
Average Capital Structure of the Company Coal Mining Subsector on the IDX 2013-2017

Information	Year				
	2013	2014	2015	2016	2017
DER	0.32	0.51	0.72	0.94	1.32

Source: www.idx.co.id (2018)

From Table 2, it can be seen that the average capital structure measured through the DER ratio in the mining subsector companies listed on the Indonesia Stock Exchange (IDX) 2013-2017 has an increasing trend each year. In 2013 it can be seen that the average DER value is 0.32. This value increased to 0.51 in 2014. The value has increased again in 2015, to 0.72. In 2016 there was an increase in the DER value to 0.94. Similar to the previous year, there was an increase in the value of the DER ratio in 2017 to 1.32. In fact, coal mining subsector companies in Indonesia tend to experience fluctuations in the average value of the ROA ratio in each year. Table 1.3 shows the average growth of coal mining subsector companies in Indonesia listed on the Indonesia Stock Exchange in 2013-2017:

Table 3
Average Company Growth in Coal Mining Subsector on the Indonesia Stock Exchange 2013-2017

Information	Year				
	2013	2014	2015	2016	2017
ROA	-8.43	-9.89	-21.2	-3.17	0.11

Source: www.idx.co.id (2018)

Based on Table 3, it can be seen that the average company growth measured through ROA in mining subsector companies listed on the Indonesia Stock Exchange 2013-2017 experiences fluctuations in each year. In 2013, the average value of ROA was -8.43. In 2014 the average value of ROA decreased to -9.89. In 2015, the return on ROA declined to -21.2. In 2016 the value of ROA increased to -3.17, but it still showed a negative number. Only in 2017 the value of ROA shows a positive number with a value of 0.11.

Profitability is the ability of a company to generate profits over a period of time, measured by the success of the company and the ability to use its assets productively with a comparison between profits earned in one period and the amount of assets or amount of capital of the company (Munawir, 2007). Profitability is considered as one of the information issued by the company that can be used as a signal for investors so that investors are interested and want to invest in the company. When the market reaction

responds positively to signals from those issued by the company it will increase the value of the company. Earnings Per Share or (Earning per Share / EPS) is the most widely used indicator to assess the profitability of a company.

Empirically, the average EPS value in the 2013-2017 coal mining subsector can be seen in Table 4 below:

Table 4
Average Company Profitability of the Coal Mining Subsector on the IDX 2013-2017

Information	Year				
	2013	2014	2015	2016	2017
EPS	241.43	298,50	369,76	991,87	1258,21

Source: www.idx.co.id (2018)

From Table 4 it can be seen the trend of increasing the average EPS value in each year in the coal mining subsector in 2013-2017. In 2013, the EPS value was 241.43 which continued to increase in 2014, 2015, 2016, and 2017 at 298.50 then 369.76 then 991.87 and 1258.21. From the data exposure regarding company value, capital structure and company growth can be seen that only the capital structure that experiences an upward trend consistently increases every year. The company value, capital structure, and profitability experience fluctuations in each year, and even tend to decline in 2017. This indicates that the condition of the company is getting better every year. However, this is not always in line when compared to Tobin 's Q, DER, ROA and EPS ratios which have been described first. Based on this, a research will be carried out entitled: "The Influence of Capital Structure, Corporate Growth and Profitability on Corporate Values in the Coal Mining Subsector Company 2013-2017."

2. Literature Review

2.1. Signalling Theory

Information published as an announcement will signal investors in making investment decisions. If the announcement contains a positive value, it is expected that the market will react when the announcement is received by the market. When information is announced and all market participants have received the information, market participants first interpret and analyse the information as a good news or bad signal. If the announcement of the information is a good signal for investors, there will be a change in the volume of stock trading (Jogiyanto, 2000). Announcement of accounting information signals that the company has good prospects in the future (good news) so investors are interested in trading shares, thus the market will react which is reflected through changes in the volume of stock trading (Ivana, 2005).

2.2. Trade-off Theory

The Trade-off theory explains the balance between profits and losses on the use of debt related to taxes, the risk of bankruptcy and the use of debt due to capital structure decisions taken by the company (Brealey and Myers, 1991). Leverage trade-off theory is a theory that explains that the optimal capital structure is found by balancing the benefits of funding with a favourable debt (corporate tax treatment) with higher interest rates and bankruptcy costs (Brigham and Houston, 2001). According to the trade-off model, the optimal capital structure is a balance between tax savings on the use of debt with the cost of financial difficulties due to the use of debt, because costs and benefits will cancel each other (trade-off). The optimal debt level is reached when the influence of interest tax-shield reaches the maximum amount of expectations of cost of financial distress.

2.3. Firm Value

The higher the value of the company describes the more prosperous the owner of the company (Kusumajaya, 2011). According to Husnan (2000) the value of the company is the price that the prospective buyer is willing to pay if the company is sold. A company is an organization that combines and organizes various resources with the aim of producing goods and or services for sale (Salvatore, 2005). Companies, an institution that is organized and run to provide goods and services to the public with motives for seeking profit. As an institution, a company is an organized forum, which is truly established and accepted in the life order of the community. Therefore companies are social institutions, which are like other social institutions such as government, agriculture, family life and individual activities, groups to achieve common goals (Ansori, 2003).

2.4.Capital Structure

Capital structure is spending that reflects the balance between long-term debt with own capital. Capital structure is reflected in long-term debt and the elements of own capital, both groups are long-term funds (Ticoalu, 2013). Thus the capital structure is only a part of the financial structure. The financial structure reflects the balance both in terms of absolute and relative between overall foreign capital (both short term and short term) with the amount of own capital (Riyanto, 1999). Capital structure theory explains whether there is influence changes in capital structure to firm value, if investment decisions and dividend policies are held constant (Husnan, 2000).

2.5.Company Growth

This ratio measures the rate of return on investment made by the company by using all the funds (assets) it has. A high ratio shows the efficiency of asset management, which means management efficiency (Hanafi and Halim, 2003). The return on asset (ROA) assessment can be formulated as follows:

$$\text{ROA} = \frac{\text{Net profit after tax}}{\text{Total Assets}}$$

The higher this ratio means the higher the profit generated by the company. The high profit generated by the company reflects that the company has good prospects going forward. Companies with good prospects are desired by investors and investors more interested in buying shares. The higher the demand from investors for shares, it will affect stock prices and will increase the value of the company. So that the higher the growth of the company, the higher the value of the company (Mardiasari, 2012).

2.6.Profitability

Companies experience conditions of profitability if they have negative EPS. For investors, EPS information is information that is considered the most basic and useful, because it can describe the company's earnings prospects in the future. So, a company has good growth in the future if it has positive EPS continuously in each period. Conversely, negative EPS in some periods illustrates the prospect of earnings that are not good and also the growth of the company so that it is less attractive to investors (Bodroastuti, 2009). The EPS formula is:

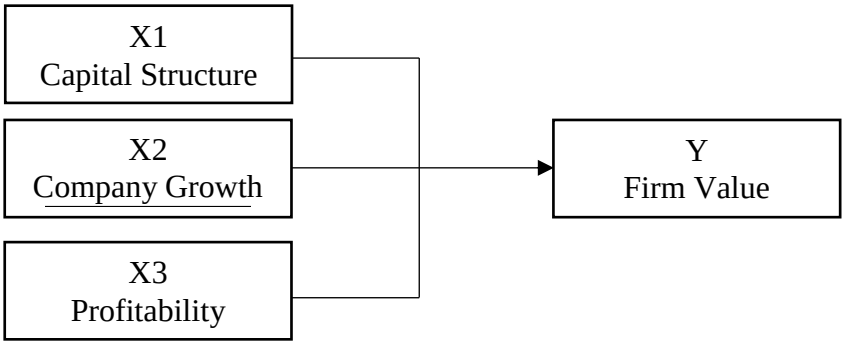
$$\text{EPS} = \frac{\text{Earning After Tax (EAT)}}{\text{Number of shares outstanding}}$$

2.7.Previous Research Review

Table 5

No	Name / Year / Title of Research	Variable	Result
1	Ni Putu Yuni Pratiwi, 2016. Effect of Capital Structure and Firm Size Of Value on the Company	Dependent variable (Y): Firm value Independent variables: Capital Structure (DER) (X1) and Firm size (Total Assets) (X2)	The results of the study indicate that the capital structure and size of the company have a positive and significant effect on firm value.
2	Eli Safrida, 2005 Capital Structure and company growth towards the value of manufacturing companies in the Jakarta Stock Exchange	Dependent variable: (Y) market to book ratio (MBR) independent variable: Debt to Equity Ratio (DER) (X1) and company growth (ROA) (X2)	The results of the study show that the capital structure has a negative and significant effect on firm value. The results of the company's growth research have a negative and no effect significant to company value.
3	Taufiq Hermawan, 2010 Analysis of the Effect of Capital Structure, Growth, Capital Expenditure, Firm Size on Firm Value in Chemical and Pharmaceutical Companies on the IDX	The Dependent variable is Corporate Value (Y). The independent variable is capital structure (X1), company growth (X2), variable capital Expenditure (X3), variable Firm Size (X4)	Based on the analysis that has been done, the result are the Capital Structure variable (X1) is not significantly negative towards Firm Value (Y). Growth Variable (X2) has a significant positive effect on Firm Value (Y). Variable Capital Expenditure (X3) is not significantly positive towards Firm Value (Y). And variable Firm Size (X4) is not significantly negative towards Company Value (Y).
4	Meythi, 2012 The Influence of Capital Structure on the Firm Value with the Growth of the Company as a Moderating Variable	The Dependent variable is Corporate Value (Y). The independent variable is capital structure (X1), company growth (X2).	Based on moderated regression analysis (MRA) shows that the capital structure does not affect the firm value, the growth of the company does not affect the value of the company, and the capital structure does not affect the firm value with company growth

2.8.Conceptual Framework



2.9.Hypothesis

Based on theoretical and conceptual frameworks, the research hypothesis is as follows:

H1: Capital structure influences the value of the company in coal mining companies listed on the Indonesia Stock Exchange.

H2: The growth of the company affects the value of the company in coal mining companies listed on the Indonesia Stock Exchange.

H3: Profitability affects the value of the company in coal mining companies listed on the Indonesia Stock Exchange

H4: Capital structure, company growth and profitability simultaneously influence the value of the company in coal mining companies listed on the Indonesia Stock Exchange.

3. Method

3.1. Research Type

This study uses a quantitative approach, namely by testing the comparative causal relationship of measured (parametric) research variables. Comparative causal research is research that compares causal relationships between two or more variables in different time periods (Erlina, 2008).

3.2. Data Collecting Method

This research was conducted on coal mining sector companies listed on the Indonesia Stock Exchange in 2013-2017

a. Sample

Table 6
Recapitulation of Sampling

No	Information	Number of Company
1	Coal mining companies listed on the Indonesia Stock Exchange for the period 2013-2017.	22
2	Companies that do not publish annual reports in the 2013-2017 period	(1)
3	The company being sampled	21
4	Total sample (21 companies x 5 years)	105

b. Research Location and Time

Lokasi penelitian ini adalah pada Bursa Efek Indonesia (BEI) di Jakarta. Sedangkan waktu penelitian dalam penelitian ini periode tahun 2013-2017.

3.3. Data Analysis Method

The data analysis technique used in this study uses panel data regression with Eviews 7 because in this study there are characteristics of cross section and time series data simultaneously.

a. Descriptive Statistics

Descriptive statistics are used to provide an overview of sample data profiles. This study uses descriptive statistics consisting of average, standard, minimum, and maximum deviations.

b. Classical Assumption Test

Research that uses panel data has the advantage that the data used is more informative, the variability is greater, the colinearity is lower between the variables and the degree of freedom is more efficient.

c. Chow Test

The Chow test or likelihood ratio test is a test to choose between the common effect model and the right fixed effect model. Chow test is a test by looking at the results of F statistics to choose a better model between the common effect or fixed effect models, if the probability value of the F statistic is smaller than the significance level $\alpha = 0.05$ then H0 is accepted.

d. Hausman Test

Hausman test in determining the best model using chi square statistics with degree of freedom is as much as k, where k is the number of independent variables, if the chi square statistic value is greater than the significance level $\alpha = 0.05$ then H0 is rejected which means a better model is random effect model, if the chi square statistic value is smaller than the significance level $\alpha = 0.05$ then H0 is accepted which means that the better model is the fixed effect model (Widarjono, 2013).

e. Panel Data Regression Analysis

This study uses panel data. Panel data is a composite data from cross section data and time series data (Widarjono, 2013). Regression with panel data is required to choose some of the most appropriate model approaches to estimate panel data, namely the approach of the Common Effect, Fixed Effect, and Random Effect models. Testing is done through analysis tools, namely Eviews 7 software.

f. Simultaneous Test (F)

The F test is used to determine the effect of independent variables together (simultaneous) on the dependent variable. Significant means that the relationship that occurs can apply to the population. if the probability value is <0.05.

g. Partial Test (t)

Used to determine the effect of each independent variable partially on the dependent variable tested with a 95% confidence level or α c 0.05. Testing hypotheses used in partial tests.

h. Coefficient Determination (R^2)

Testing the contribution of the influence of all independent variables together on the dependent variable can be seen from the coefficient of determination (R2) where 0 <R2 <1. The coefficient of determination test basically measures how far the ability of the model to explain the variation of the dependent variable (Ghozali, 2009).

4. Result and Discussion

4.1. Result

a. Selection of Panel Data Regression Estimation Model

Of the three models that have been estimated which model will be selected the most appropriate / in accordance with the research objectives. There are three tests that can be used as tools in selecting panel data regression models, namely: Common Effect), Fixed Effect and Random Effect. Based on the characteristics of the data owned, it can be done, namely: Chow Test and Hausman Test.

1) Chow Test

Chow test is done to compare / choose which model is best between common effects and fixed effects. The Chow test results can be seen in the following Table 7:

Table 7
Chow Test Result

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	11.007427	(20,81)	0.0000
Cross-section Chi-square	137.881222	20	0.0000

The decision taken in the Chow test is to accept H0 (p-value> 0.05) with the hypothesis:
H0: common effects model
H1: fixed effects model

If the probability value (Prob.) For the Cross-section F> 0.05, the chosen model is the Common Effect, but if the value is Prob. Cross-section F <0.05, the chosen model is Fixed Effect. In Table 5.2 it can be seen that the value of the Prob. F-section cross-section is 0.0000 whose value is <0.05 so it can be concluded that rejecting H0, namely the fixed effect method is more appropriate than the common effect model).

2) Hausman Test

The Hausman test is done to compare / choose which method is best used between fixed effects or random effects. The Hausman test results can be seen in Table 8 as follows:

Table 8
HausmanTest Result

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	6.494311	3	0.0899

The decision taken in the Hausman test is to accept H0 (p-value> 0.05) with the hypothesis:
H0: the random effects method
H1: fixed effects method

If the probability value (Prob.) Cross-section random> 0.05, the selected model is Random Effects, but if the probability value (Prob.) Cross-section random <0.05, the selected model is Fixed Effects. The table shows that the value of the Prob. The random cross-section is 0.0899 which has a value of> 0.05 so it can be concluded that the random effect model is more appropriate than the fixed effect model. Based on the testing with the Chow test and Hausman test, it is decided that the most appropriate estimation model is random effect model.

b. Panel Data Regression Analysis

Based on the Chow test and the Hausman test conducted, the chosen regression model is a random effect model. Therefore, the results of the regression carried out through the random effect model can be seen in Table 9.

Table 9
Panel Data Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.073774	0.097543	11.00819	0.0000
X1	-0.103939	0.035501	-2.927760	0.0044
X2	0.002351	0.005904	0.398204	0.6915
X3	0.003001	0.001174	2.555300	0.0125

Based on Table 9 can be seen the regression results can be panel which can then be arranged as a regression equation as follows:

$$Yit = 1.073774 - 0.103939\ X1it + 0.002351\ X2it + 0.003001\ X3it$$

From the regression equation it can be stated that:

1) Constant value of 1.073774 means that if the variable X value is fixed then the variable Y (Company Value) is worth 1,379.
2) The coefficient value for the X1it variable (Capital Structure) is -0.103939 means that every increase in the Capital Structure variable is 1 unit, the Company Value will decrease by -0.103939 times assuming other variables are considered constant.
3) The coefficient value for the variable X2it (Company Growth) is equal to 0.002351 which means that every increase in the Company Growth variable is 1 unit, the Company Value will increase by 0.002351 times assuming other variables are considered constant.
4) The coefficient value for the X3it variable (Profitability) is 0.003001 meaning that every increase in the Profitability variable is 1 unit, the Company Value will increase by 0.003001 times assuming other variables are considered constant.

c. Hypothesis Test

1) Simultaneous Test

Simultaneous significant test (F test) is conducted to determine whether all the independent variables used have a joint effect on the dependent variable. Simultaneous test results can be seen in Table 10 below:

Table 10
Simultaneous Test (F Test)

R-squared	0.855878	Mean dependent var	1.174762
Adjusted R-squared	0.814954	S.D. dependent var	0.818022
S.E. of regression	0.351888	Akaike info criterion	0.946624
Sum squared resid	10.02984	Schwarz criterion	1.553243
Log likelihood	-25.69775	Hannan-Quinn criter.	1.192438
F-statistic	20.91406	Durbin-Watson stat	1.842783
Prob(F-statistic)	0.000000		

The F statistic value and the probability statistical value F in this study are 20.91406 with a probability of 0.000000. The probability value of the F statistic is smaller than the significant value $\alpha = 5\%$, it can be concluded that H0 is rejected or in other words the capital structure, company growth, and profitability simultaneously influence the value of the company.

2) Partial Test

Partial significant test (t-test) is done to find out the level of significance or the influence of independent variables on the dependent variable partially. Table 11 below is the result of partial testing in this study:

Table 11
Partial Test (t Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.073774	0.097543	11.00819	0.0000
X1	-0.103939	0.035501	-2.927760	0.0044
X2	0.002351	0.005904	0.398204	0.6915
X3	0.003001	0.001174	2.555300	0.0125

Based on Table 11 it can be seen that the variable X1 (capital structure) has a partial effect on the value of the company because the probability value (0.0044) is smaller than 0.05. Meanwhile X2 (company growth) does not partially affect the value of the company because the probability value (0.6915) is greater than 0.05. The X3 variable (profitability) has a partial effect on firm value because the probability value (0.0125) is smaller than 0.05.

4.2. Discussion

a. The Effect of Capital Structure on Company Values

The results of the tests conducted get the results prob 0.0044 (prob <0.05) which means that the capital structure has an effect on the value of the company. The coefficient value is -0.103939 which means that the capital structure has a negative influence on the value of the company. Therefore, the first hypothesis of this research is accepted. The results of this study are in line with the research of Pratiwi (2016) which states that the capital structure affects the value of the company. For each company, the decision in choosing funding sources is important because it will affect the company's financial structure, which will ultimately affect the company's performance. The source of the company's funds is reflected by foreign capital and own capital as measured by the debt to equity ratio (DER). The higher the debt to finance the company's operations it will reduce the value of the company, because with a high level of debt, the burden that will be borne by the company is also large. The implication of the results of this study is to increase the value of the company, the coal mining company listed on the Indonesia Stock Exchange needs to reduce the Debt to Equity Ratio (DER), which means that the company should reduce the debt composition to finance operations.

b. The Effect of Company Growth on Company Values

The results of the tests carried out get prob results 0.6915 (prob> 0.05) which means that the growth of the company does not affect the value of the company. Therefore, the second hypothesis of this study was rejected. The results of this study are in line with the research conducted by Safrida (2005) which states that the growth of the company does not affect the value of the company. High growth causes the funding needs to increase. The greater the growth rate of the company, the higher the costs required for investment. The higher the growth rate of the company, the less funds available to be shared with shareholders. Investors trust companies that are already established and not growing. Therefore, although the growth rate of the company is high, it will not affect investor confidence so it will not affect the value of the company.

c. Effect of Profitability on Company Values

The results of the tests carried out get the results prob 0.0125 (prob <0.05) which means that the growth of the company affects the value of the company. The coefficient value is 0.003001 which means that profitability has a positive influence on the value of the

company. Therefore, the third hypothesis of this study was accepted. The results of this study are in line with the research conducted by Suparno and Budiman (2017) which states that earnings per share affects the value of the company. Profitability has a decisive role in the movement of stock prices in the open manufacturing company sector on the Indonesia Stock Exchange. Regarding the fluctuation of stock prices is directly related to the increase and decrease in the value of the company so that the issuer always strives to increase stock prices from time to time, because the higher the stock price, the higher the company's value. If the value of the company is higher, then the wealth of investors or shareholders will increase and show that the company in question will be more healthy. The results of this study indicate that for investors of coal mining companies listed on the Indonesia Stock Exchange, dividends are more valuable than capital gains. If the company's Earning Per Share is high, this indicates that the dividends paid by the company will be even higher. This will increase the attractiveness of investors' data on the company and cause the value of the company to increase. The implication of this research is to increase the value of the company, the coal mining companies listed on the Indonesia Stock Exchange need to increase earnings per share (EPS) as an indicator of profitability.

d. Effect of Capital Structure, Company Growth, and Profitability on Company Values

Company value is the price that the prospective buyer is willing to pay if the company is sold. The higher the value of the company describes the more prosperous the owner of the company. Factors that are considered capable of influencing company value include the capital structure with indicators of Debt to Equity Ratio (DER), company growth that is proxied through Return On Assets (ROA), and profitability measured through Earning Per Share (EPS). The simultaneous test results (F test) show a prob value of 0.000000 (prob <0.05) which can be interpreted that the capital structure, company growth, and profitability have an effect simultaneously on firm value. The implications of this research are listed coal mining companies on the Indonesia Stock Exchange it is necessary to increase Debt to Equity Ratio (DER), Return On Assets (ROA) and Earning Per Share (EPS), which means that ultimately it will increase the value of the company as well.

5. Conclusion and Suggestion

5.1. Conclusion

Based on the results of research and hypothesis testing that has been done, some conclusions can be taken as follows:

a. Capital structure influences the value of the company in coal mining companies listed on the Indonesia Stock Exchange.
b. The growth of the company does not affect the value of the company in coal mining companies listed on the Indonesia Stock Exchange.
c. Profitability affects the value of the company in coal mining companies listed on the Indonesia Stock Exchange.
d. Capital structure, company growth and profitability simultaneously influence the value of the company in coal mining companies listed on the Indonesia Stock Exchange.

5.2. Suggestion

The suggestions that can be given on the basis of these conclusions are as follows:

a. The next researcher is expected to increase the number of other independent variables such as company size, investment decisions, and liquidity.

b. The next researcher is expected to add data samples by extending the observation period.

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